

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7176**

**BILL NUMBER:** SB 359

**NOTE PREPARED:** Jan 5, 2007

**BILL AMENDED:**

**SUBJECT:** Public Safety Fees.

**FIRST AUTHOR:** Sen. Heinold

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** The bill annually appropriates funds from Public Safety Fees paid by fireworks retailers as follows: (1) \$1 M to the Department of Homeland Security (DHS) for training programs; and (2) \$1 M to the DHS for deposit in the State Disaster Relief Fund.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** Retailers were required to begin collecting the Public Safety Fee in July 2006. Currently, revenue generated by the fee is deposited in the state General Fund. From July to October 2006, the fee generated \$2.2 M. This bill annually appropriates \$2 M to DHS for training programs and the State Disaster Relief Fund. These funds are subject to allotment by the Budget Agency after review of the Budget Committee.

For FY 2006 and FY 2007, DHS received \$1.7 M for each year from the state General Fund and \$11.2 M for each year from the Fire and Building Services Fund.

*Background:* IC 22-11-14-12 imposes a public safety fee on retail transactions of fireworks made in Indiana. A person who buys the fireworks is liable for the fee and must pay the fee to the retailer. The retailer collects the fee as an agent for the state and forwards the collections to the Department of Revenue.

The fee is based on the gross retail income received by a retail merchant in a retail unitary transaction of fireworks and is imposed at the following rates:

<b>Public Safety Fee</b>	<b>Gross Retail Income from a Unitary Transaction</b>
\$ 0	less than \$ 0.10
\$ 0.01	at least \$ 0.10 but less than \$ 0.30
\$ 0.02	at least \$ 0.30 but less than \$ 0.50
\$ 0.03	at least \$ 0.50 but less than \$ 0.70
\$ 0.04	at least \$ 0.70 but less than \$ 0.90
\$ 0.05	at least \$ 0.90 but less than \$ 1.10
5%	more than \$1.10

*State Disaster Relief Fund:* The State Disaster Relief Fund provides money to assist eligible entities in paying for the costs of damage to public facilities resulting from disasters. The fund currently consists of money appropriated by the General Assembly. DHS administers the fund. Expenses of administering the fund are paid from money in the fund. The Treasurer of State invests money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments are deposited in the fund. Money in the fund at the end of a state fiscal year does not revert to the state General Fund. No money has been appropriated to the fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DHS.

**Local Agencies Affected:**

**Information Sources:** DHS.

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